

Division of Securities
Utah Department of Commerce
160 East 300 South
Box 146760
Salt Lake City, Utah 84145-6760
Telephone (801) 530-6600

BEFORE THE DIVISION OF SECURITIES
OF THE DEPARTMENT OF COMMERCE
OF THE STATE OF UTAH

IN THE MATTER OF THE LICENSE)	
OF:)	STIPULATION AND CONSENT
)	ORDER
)	
ACCESS FINANCIAL GROUP, INC.)	Docket No. SD-00-0041
ANTHONY PAPPAS,)	Docket No. SD-00-0042
VICTOR CHIGAS, SR.;)	Docket No. SD-00-0044
RICHARD KONST; and)	Docket No. SD-00-0045
TODD ALLEN DAVIS)	Docket No. SD-00-0043
)	
Respondents.)	

On June 26, 2000, the Utah Division of Securities (the "Division") petitioned for sanctions against respondents Access Financial Group, Inc. ("Access"), Anthony Pappas, Victor Chigas, Sr., and Richard Konst (collectively, "Access Respondents") and respondent Todd Allen Davis.

This matter is scheduled to come before the Court on January 10, 2006. In lieu of that hearing, the Division and the Access Respondents have agreed to compromise and fully resolve all claims and pending actions between them by way of this Stipulation and Consent Order ("Order"). The Division acknowledges that the Investigative Findings described below in ¶¶ 8 - 19 have not been established by an adjudicative hearing and the Access Respondents neither admit nor deny these findings:

Parties and Jurisdiction

1. Access is a broker-dealer licensed by the Division with its principal place of business in Chicago, Illinois. Access does not maintain an office in Utah.
2. Anthony Pappas ("Pappas") is an individual who at all relevant times was the branch manager of Access at the location where Davis was employed.
3. Victor Chigas, Sr. ("Chigas") and Richard Konst ("Konst") are the principal officers of Access.
4. Todd Allen Davis ("Davis"), Docket No. SD-00-0043, was licensed in Utah as a broker-dealer agent of Access from November 1995 to January 2000. The Division's proceeding against Davis is continuing. Davis is not a party to this Order.
5. The Access Respondents admit the jurisdiction of the Division over them and the subject matter of the claims and actions brought by the Division pending under Docket Numbers SD-00-0041, SD-00-0042, SD-00-0044, and SD-00-0045.

Investigative Findings

According to the Division, the investigation into this matter revealed:

6. After receiving a complaint regarding Davis and conducting an initial investigation, the Division conducted an examination of the trading activities of Davis and Access in August 1999.
7. In October 1997, Davis traveled to Utah and made a presentation to a Utah resident, Craig Wennerholm. This presentation was made without the knowledge or permission of Access and without compliance with NASD rules regarding advertising. By power of

attorney, Craig Wennerholm had control over his parents' assets while the parents were out of the country for an extended period of time.

8. Through Davis, Craig Wennerholm opened a securities brokerage account with Access. Craig Wennerholm invested \$300,000 of his parents' money in the account. When opening the account, Wennerholm provided Davis with information to be used by Davis and Access in evaluating the suitability of investments in the account.
9. Davis conducted excessive trading in the Wennerholm account including trading securities on margin. This increased the risk to the account and losses in the account. During the time Davis was the broker for the Wennerholm account, the Division calculated the annualized cost-to-equity ratio as 22.59%, meaning the account would have to earn 22.59% in profits to break even. The annual turnover ratio for the account was calculated as 7.5, meaning the entire portfolio was turned over an average of 7.5 times in a year. While the account dropped significantly in value, Davis generated \$25,795 in commissions, including commissions earned on margin sales and transactions to close the account.
10. Many of the securities purchased in the Wennerholm account were not suitable for the account of a sixty-six year old retired investor. Securities purchased by Davis in the Wennerholm account included high-risk, low-price speculative securities. Some of these trades were executed by Davis without obtaining prior written permission from the client for discretionary trading authority. Access did not allow discretionary trading by its agents without appropriate written permission.

11. Davis engaged in business activities outside the scope of his employment with Access. These outside activities were not disclosed to or approved by Access. These outside activities included Davis' participation with stock promoters in attempts to affect the prices and trading volumes of thinly-traded, speculative securities. Some of these securities were purchased by Davis in the accounts of multiple clients. Taped recordings of calls between Davis and promoters indicate that these promoters possessed and released false and misleading information on the publicly-traded companies while in possession of this information. In addition, Davis and these promoters had possession of material non-public information about these companies. Davis executed transactions in the securities of these companies while in possession of this information. Furthermore, Davis facilitated the execution of securities transactions that were not on the books and records of Access including two occasions in which Davis prepared paperwork to wire money belonging to Utah customers (other than the Wennerholms) to a bank account, which funds were used to purchase securities. The securities were later deposited into the Access accounts of these Utah customers.
12. Davis engaged in trading activity in the Wennerholm account which the account holder asserts was not authorized.
13. The trades and activity in the Wennerholm account resulted in an aggregate loss of \$203,792.87.
14. Access should have taken additional steps to supervise the conduct of Davis to detect his outside business activities, ensure that the purchases made in the Wennerholm account were suitable, and that the trades were authorized by the client.

15. On December 17, 2001, the Access Respondents and the Wennerholms entered into a settlement agreement whereby a payment was made to the Wennerholms in exchange for the Wennerholms' agreement to dismiss a pending arbitration claim against Access. This arbitration settlement agreement did not resolve any regulatory action by the Division against either the Access Respondents or Davis.
16. Access took the following remedial action in response to the Division's investigation: a) on September 9, 1999, Access placed additional restrictive measures upon Davis' trading activity such as requiring Davis to obtain written supervisory approval prior to entering any trade tickets; b) on September 30, 1999 Access recorded its internal investigation of Davis in the Central Registration Depository ("CRD"); c) Davis left the employment of Access on January 1, 2000; d) Access has restructured its compliance and supervisory system to better ensure that its securities transactions will be monitored closely; e) Access has substantially reduced its retail securities business.

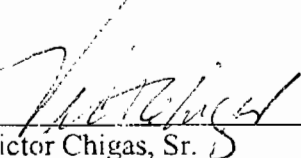
Agreement

17. The Access Respondents neither admit nor deny the Division's Investigative Findings and make no admission of liability based upon such findings, but consent to entering the Order that follows.
18. Access Respondents and the Division have agreed to settle these proceedings through this Order. If approved by the Securities Advisory Board, the Order will fully resolve all claims the Division has against Access Respondents pertaining to this matter.
19. The Access Respondents waive any right to a hearing in this proceeding.

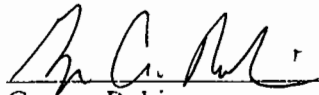
20. The Access Respondents acknowledge that if the Division subsequently finds that there were material omissions or misrepresentations made in the course of settlement discussions, the Division may initiate proceedings to vacate the Order and seek penalties under the original proceeding as well as for violations of § 61-1-16 of the Act.
21. The Division and the Access Respondents acknowledge that they understand the terms of this Order, that this Order was entered into knowingly and voluntarily, and that each party has consulted with legal counsel prior to executing this Order.
22. Respondents Chigas, Konst and Pappas will be dismissed from this proceeding.
23. This Order constitutes the entire agreement between the Division and the Access Respondents, superseding all prior written and oral agreements.

DATED this ____ day of November 2005

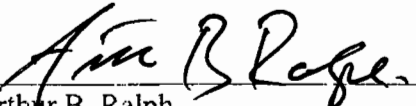
Access Financial Group, Inc.



Victor Chigas, Sr.
CEO

Utah Division of Securities


George Robison
Director of Licensing

Approved:


Arthur B. Ralph
Van Cott Bagley Cornwall & McCarthy
Attorney for Access Respondents

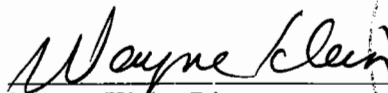

Jeffrey Buckner
Assistant Attorney General
Attorney for Division of Securities

ORDER

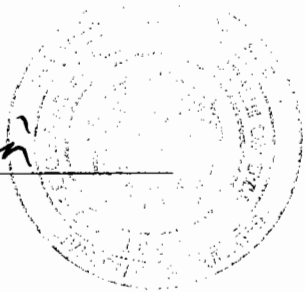
IT IS HEREBY ORDERED:

1. The Access Respondents will pay a fine to the Division in the amount of \$100,000 and that this fine will be paid within thirty (30) days of the entry of this Order.
2. All claims and actions pending as to Respondents Chigas, Konst and Pappas under Docket Numbers SD-00-0042, SD-00-0044, and SD-00-0045 are dismissed.
3. Access will make a supplemental payment to the Wennerholms of \$40,000. Upon proof of payment of that amount to the Wennerholms, the Division agrees to credit Access \$25,000 against the above-stated fine amount.
4. The Access Respondents will cooperate fully with the Division in its continuing action against Davis, including promptly providing assistance, testimony, and non-privileged documents requested and reasonably related to the Division's action against Davis.
5. The Access Respondents will comply with the requirements of the Utah Uniform Securities Act in all future business in this state.

DATED this 1st day of ~~November~~ ^{December}, 2005.



Wayne Klein, Director
Utah Division of Securities

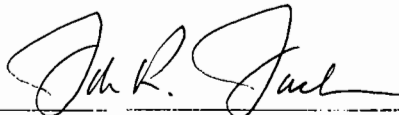


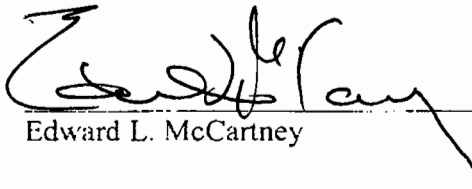
BY THE UTAH SECURITIES ADVISORY BOARD:

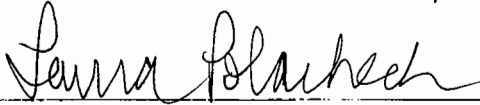
The foregoing Order is hereby accepted, confirmed and approved by the Utah Securities
Advisory Board.

DATED this 7th day of December, 2005.


A. Robert Thorup, Chairman


John R. Jackson



Edward L. McCartney


Laura Polacheck

CERTIFICATE OF MAILING

I hereby certify that on the 10th day of January 2006, I mailed, regular mail, a copy of the foregoing **Stipulation and Consent Order** to:

Arthur B. Ralph
Van Cott Bagley Cornwall & McCarthy PC
50 South Main Street Ste 1600
Salt Lake City UT 84144



Executive Secretary